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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 30186 (Sub.-No.2)

**TONGUE RIVER RAILROAD COMPANY, INC. --
CONSTRUCTION AND OPERATION - ASHLAND TO DECKER, MONTANA**

**FOUR MONTH REPORT OF
TONGUE RIVER RAILROAD COMPANY, INC.**

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Public Record**

Betty Jo Christian
David H. Coburn
STEPTOE & JOHNSON LLP
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 429-3000

Attorneys for Tongue River Railroad
Company, Inc.

November 4, 2011

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**TONGUE RIVER RAILROAD COMPANY, INC. --
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TONGUE RIVER RAILROAD COMPANY, INC.**

Tongue River Railroad Company, Inc. ("TRRC") hereby submits this four month report as required by the Board's decision in STB Finance Docket No. 30186 (Sub No. 2), issued on November 8, 1996. As TRRC has previously advised the Board in its July 8, 2011 Four Month Report and its August 29, 2011 Amended Four Month Report, as of July 1, 2011, TRRC is now under new ownership.

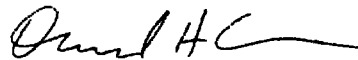
The Board served its decision in STB Finance Docket No. 30186 (Sub-No. 3) on October 9, 2007 granting TRRC's application to construct and operate a 17.3-mile rail line known as the Western Alignment in Rosebud and Big Horn Counties, Montana. The decision became effective on November 8, 2007. Certain parties sought judicial review of the Board's decisions in Finance Docket Nos. 30186 (Sub No. 2) and 30186 (Sub No. 3) by filing petitions for review in the U.S. Court of Appeals for the Ninth Circuit. Briefs have been filed and the consolidated cases were orally argued before the Court on July 11, 2011. A decision remains pending.

On July 26, 2010, Northern Plains Resource Council ("NPRC") and Mark Fix filed with the Board a Petition to Reopen the Board's decisions in Finance Docket Nos. 30186, 30186 (Sub

No. 2) and 30186 (Sub No. 3). The Petition was opposed by TRRC. On June 15, 2011, the Board issued a decision denying the Petition to Reopen. On July 25, 2011, NPRC and Mr. Fix jointly filed a Petition for Reconsideration of the STB's June 15 decision denying their Petition to Reopen. On August 25, 2011, TRRC filed a reply in opposition to the Petition for Reconsideration. A decision on the Petition for Reconsideration remains pending.

TRRC has continued to engage in the Programmatic Agreement process with the Board. A meeting attended by representatives of the Board, other signatory agencies and consulting parties was held in Rapid City, South Dakota, on June 21 – 23, 2011. An additional meeting among the same parties originally planned for early August has been delayed until a date to be determined. By letter addressed to the Board's Office of Environmental Analysis ("OEA") dated September 2, 2011, TRRC advised OEA in connection with the Programmatic Agreement process that its new owners have determined that they will not, in the reasonably foreseeable future, construct the portion of the TRRC line south of the Ashland/Otter Creek area. Instead, TRRC will concentrate on moving forward toward the construction of the line between Miles City and the Ashland/Otter Creek area along the Board-approved alignment for that portion of the line.

Respectfully,



Betty Jo Christian
David H. Coburn
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Washington, D.C. 20036
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November 4, 2011

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of November, 2011, a copy of the foregoing document was served via first class mail, postage prepaid, on all parties of record.

A handwritten signature in cursive script, appearing to read "David H. Coburn", written over a horizontal line.

David H. Coburn